

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 1317

Washington, D. C.

December 22, 1950

ESA Pricing Standards

Following are the "pricing standards" announced December 19 by the Economic Stabilization Agency:

"1. Prices may not be increased by any manufacturer or industrial producer whose net dollar profits before taxes are equal to or in excess of its average net dollar profits before taxes in the period 1946-49, except as provided in the following standard.

"2. As to an individual material or service sold by a company whose net over-all profits are running above the general earning standard as set out above, the price of such particular product or service may not be increased if it is being sold at a profit. In case of a particular material or service which is not profitable, the price may be increased but in no case by more than (a) the amount necessary to make it profitable or (b) the amount of the increase since June 24, 1950, in the cost of direct wages and materials going into this product, whichever is lower.

"3. As applied to the distribution trade (wholesale and retail), gross margins may not be increased above the June, 1950, level if net dollar profits before taxes of the distributor are equal to or in excess of average net dollar profits before taxes of the distributor in the period 1946-49.

"4. Distributors may not increase their prices on the basis of increases in replacement costs or market costs. Margins may be added only to inventory cost actually paid."

1950 Lima Bean Pack

The 1950 pack of canned fresh lima beans amounted to 3,591,173 actual cases as compared with last year's pack of 4,713,207 cases, according to the Association's Division of Statistics. On the basis of 24/2's, the 1950 pack was 3,229,000 cases, compared with 4,371,000 cases in 1949. Details of the pack, by region, are reported on page 353.

ESA Issues 'Pricing Standards'

The Economic Stabilization Agency on December 19 announced voluntary "pricing standards" for business and industry. ESA requested nation-wide compliance "to avoid the necessity of further mandatory price controls." ESA also announced that "any price increases after December 1, 1950, which are in excess of those that would be permissible under the following standards [reproduced at left] will be regarded as subject to action by the Agency at the earliest feasible time."

Among the week's other developments were:

1. The President on December 16 proclaimed the existence of a national emergency, and issued Executive Order 10193 establishing the Office of Defense Mobilization, with Charles E. Wilson as Director, to coordinate all of the government's defense activities. The Executive Order is reproduced on page 354.

2. The ESA on December 19 issued a "Price Procedural Regulation," prescribing rules by which it will issue and administer ceiling price regulations. This is reported on page 355.

(Please turn to page 355)

NPA Orders Cut in Use of Tin By 20% Beginning in February

A tin order in the nature of M-81 of World War II, controlling end-use of tin and tin products, will be issued by the National Production Authority early in January.

This became apparent this week when NPA addressed a new order to primary users of tin. The new order amends and supersedes an earlier M-8, which had limited inventories of pig tin in the hands of dealers of tin alloys and other materials in which tin is of chief value (see INFORMATION LETTER of November 18, page 319).

M-8, as amended, establishes the period January 1-June 30, 1950, as a base period, and permits each manufacturer of tin products to use 100 percent of his monthly average during January, but only 80 percent of his monthly average during February and March.

As amended, M-8 thus provides an over-all 20 percent cut in the use of

(Please turn to page 355)

Convention Room Assignments Made for N.C.A. Members

Requests for rooms for the 1951 Convention were filed by the Association with the Hotel Stevens management last week. The Stevens has confirmed these requests and immediately began mailing forms to canner members assigning a headquarters room number for each firm.

To be able to supply each firm with advance information as to its headquarters room number, the Stevens requires that the headquarters room be pre-registered. Pre-registration means that one room—parlor or a bedroom, in case parlor was not assigned—will be registered on the evening preceding arrival, so that occupancy of the room may be had immediately on arrival the following morning. The Stevens has also offered to pre-register any other rooms the firm might desire. Such request should go directly to the hotel. Pre-registration necessitates payment for the night the room is held unoccupied. This arrangement is necessary so that the hotel can clear the given room for occupancy.

The Stevens also requires that canner members supply them with the names and actual arrival dates of the occupants of the rooms they are using.

The Association found that requests for twin-bedded double rooms were considerably in excess of the supply available at the Stevens. It was nec-

(Please turn to page 355)

SCHEDULE OF PRINCIPAL EVENTS OF THE 1951 CONVENTION

(Details announced to date; subject to revision)

Wednesday, February 14

9:30 a.m.—Meeting of N.C.A. Scientific Research Committee, Room 10, Hotel Stevens

Thursday, February 15

10 a.m.—Meeting of N.C.A. Budget Committee, Headquarters Suite, Hotel Stevens

2 p.m.—Canning Industry Research, Inc., Room 6, Hotel Stevens

Friday, February 16

9:30 a.m.—Meeting of N.C.A. Home Economics Committee, Room 19, Hotel Stevens

9:30 a.m.—Meeting of N.C.A. Labeling Committee, Room 8, Hotel Stevens

12:30 p.m.—Luncheon meeting, N.C.A. Administrative Council, North Assembly Room, Hotel Stevens

1:30 p.m.—Meeting of N.C.A. Buildings Committee, Room 19, Hotel Stevens

1:30 p.m.—Meeting of N.C.A. Convention Committee, Room 8, Hotel Stevens

2:00 p.m.—Meeting of Officers and Directors, Peanut Butter Manufacturers Association, Morrison Hotel

7:30 p.m.—Meeting of N.C.A. Raw Products Committee, Room 8, Hotel Stevens

Saturday, February 17

9 a.m.-6 p.m.—Machinery and Supplies Exhibit, Exhibit Hall and Ballroom floor, Hotel Stevens

9:30 a.m.—Morning session, N.C.A. Board of Directors, West Ballroom, Hotel Stevens

10 a.m.—General Session, Peanut Butter Manufacturers Association, Morrison Hotel

12:30 p.m.—N.C.A. Board of Directors Luncheon, South Ballroom, Hotel Stevens

1:30 p.m.—Special N.C.A. War Mobilization Session, North Ballroom, Hotel Stevens

6 p.m.—Dinner for State Secretaries, Room 1, Hotel Stevens

6:30 p.m.—Old Guard Reception and Dinner, North Assembly and North Ballroom, Hotel Stevens

7 p.m.—Meeting of N.C.A. Resolutions Committee, Room 21, Hotel Stevens

7 p.m.—N.C.A. Research Advisory Committee Smoker, Room 4, Hotel Stevens

Sunday, February 18

9 a.m.—Meeting of N.C.A. Nominating Committee, North Assembly Room, Hotel Stevens

9:30 a.m.—Meeting of N.C.A. Statistics Committee, Room 8, Hotel Stevens

9:30 a.m.—Meeting of N.C.A. Legislative Committee, Room 10, Hotel Stevens

10 a.m.—Meeting of Officers and Members of Executive Committee, National Preservers Association, Morrison Hotel

10 a.m.—Annual meeting, C.M.&S.A., West Ballroom, Hotel Stevens

12 m.—Luncheon meeting, N.C.A. Claims Committee, Room 6, Hotel Stevens

12 m.-6 p.m.—Machinery and Supplies Exhibit, Exhibit Hall and Ballroom floor, Hotel Stevens

1:30 p.m.—General Session of N.C.A., North Ballroom, Hotel Stevens

1:30 p.m.—Business meeting, National Food Brokers Association, Grand Ballroom, Hotel Stevens

4 p.m.—Meeting of N.C.A. Fishery Products Committee, Room 8, Hotel Stevens

Monday, February 19

9 a.m.—N.C.A. Raw Products Conference, North Assembly Room, Hotel Stevens

9 a.m.-6 p.m.—Machinery and Supplies Exhibit, Exhibit Hall and Ballroom floor, Hotel Stevens

9:30 a.m.—N.C.A. Canning Problems Conference, Room 2, Hotel Stevens

9:30 a.m.-4:30 p.m.—General meeting, National Kraut Packers Association, Room 4, Hotel Stevens

10 a.m.—General Session, National Preservers Association, Morrison Hotel

2 p.m.—N.C.A. Raw Products Conference, North Assembly Room, Hotel Stevens

2 p.m.—N.C.A. Canning Problems Conference, Room 2, Hotel Stevens

7 p.m.—N.C.A. Raw Products Smoker, North Assembly Room, Hotel Stevens

7 p.m.—Young Guard Dinner, Boulevard Room, Morrison Hotel

7 p.m.—Annual N.F.B.A. Banquet, Grand Ballroom, Palmer House

Tuesday, February 20

9 a.m.-6 p.m.—Machinery and Supplies Exhibit, Exhibit Hall and Ballroom floor, Hotel Stevens

9:30 a.m.—Joint N.C.A. Raw Products and Research Laboratories Conference, South Ballroom, Hotel Stevens

10 a.m.—Technical Meeting, National Preservers Association, Morrison Hotel

10 a.m.-2 p.m.—Annual Meeting, Associated Independent Cannerymen, Inc., Room 2, Hotel Stevens

2 p.m.—N.C.A. Fishery Products Conference, North Assembly Room, Hotel Stevens

7 p.m.—Annual Dinner Dance, under auspices of Canning Machinery & Supplies Association, Grand Ballroom, Palmer House

Wednesday, February 21

9 a.m.-3 p.m.—Machinery and Supplies Exhibit, Exhibit Hall and Ballroom floor, Hotel Stevens

Thursday, February 22

9 a.m.-12 m.—Meetings of Standing Committees, National Pickle Packers Association, Sheraton Hotel

12:15 p.m.—Luncheon meeting of Committees, Officers and Board of Directors, National Pickle Packers Association, Suite 816, Sheraton Hotel

1:30-5 p.m.—Board of Directors meeting, National Pickle Packers Association, Suite 815, Sheraton Hotel

6 p.m.—Cocktail party and Dinner Dance, National Pickle Packers Association, Sheraton Hotel

Friday, February 23

10 a.m.-5 p.m.—General Session, National Pickle Packers Association, Sheraton Hotel

CONVENTION

Machinery Exhibit Details

Nine attendance awards will be made each day of the five-day showing of the Canning Machinery & Supplies Association Exhibit during the 1951 Convention at Hotel Stevens, Chicago.

Secretary S. G. Gorsline of C.M. & S.A. has announced that the Exhibit, which will occupy 35,000 square feet in the Exhibit Hall and Ballroom floor of the Stevens, will observe the following schedule:

Saturday, February 17—9 a.m. to 6 p.m.; Sunday, February 18—12 noon to 6 p.m.; Monday and Tuesday, February 19 and 20—9 a.m. to 6 p.m.; Wednesday, February 21—9 a.m. to 3 p.m.

Old Guard Banquet

The Old Guard Dinner will be held in the North Ballroom, Hotel Stevens, at 6:30 p.m., Saturday, February 17. Secretary S. G. Gorsline announces that the affair will consist of cocktails and a buffet supper. Members may come and go at their convenience any time between 6:30 and 9 p.m., he explained, as there will be no set program of speeches or entertainment. A short business meeting will be held for election of officers and to present Diamond pins to 12 members who have attained their 50th year of canning industry service.

SUPPLIES

Shipments of Metal Cans

Shipments of metal cans for selected food products for September and October of this year are reported by the Bureau of the Census, U. S. Department of Commerce, as follows:

	Sept. 1949	Oct. 1950	Oct. 1949
(in short tons of steel)			
Fruit and vegetable including juice) . . .	195,408	119,034	82,212
Fish and seafood . . .	15,390	17,399	16,597
Meat, including poultry	10,880	9,928	10,555

Shipments of Metal Closures

Shipments of commercial metal and plastic caps amounted to 1,444 million units in September and 1,463 million units in October of this year, according to a report by the Bureau of the Census, U. S. Department of Commerce. Shipments during October, 1949, were 920,150 million units.

Shipments of Glass Containers

Shipments of glass containers in October were 13 percent below September shipments but were 16 percent above shipments for October of 1949, according to a report by the Bureau of the Census, U. S. Department of Commerce.

Shipments of selected glass containers during September and October, 1950, and October, 1949, were reported as follows:

	Sept. 1950	Oct. 1950	Oct. 1949
(quantities expressed in gross)			
Narrow-neck:			
Food	1,571,440	953,476	759,885
Beverage, non- returnable . .	9,351	15,056	1,060
Wide-mouth:			
Food, including fruit jars and jelly glasses .	2,736,572	2,367,059	2,063,204

Invitations for Bids

★ Quartermaster Purchasing Office—1819 West Pershing Road, Chicago 9, Ill.; Oakland Army Base, Oakland 14, Calif.

Veterans Administration—Procurement Division, Veterans Administration, Wash. 25, D. C.

The Walsh-Healey Public Contracts Act will apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

The QMC has invited sealed bids to furnish the following:

TOMATO PUREE—quantities in No. 10 cans. Bids due in Chicago by Dec. 26. (QM-11-009-51-1337 and -1338).

LIMA BEANS—quantities in No. 2 cans. Bids due in Chicago by Dec. 27 (QM-11-009-51-1335).

APPLES—quantities in No. 10 cans. Bids due in Chicago by Dec. 27 (QM-11-009-51-1336).

PLUMS—quantities in No. 10 or No. 2½ cans. Bids due in Oakland by Jan. 2 (QM-11-009-51-1387).

SNAP BEANS—quantities in No. 10 or No. 2 cans. Bids due in Chicago by Jan. 3 (QM-11-009-51-1306 and -1307).

LIMA BEANS—quantities in No. 10 or No. 2 cans. Bids due in Chicago by Jan. 8 (QM-11-009-51-1308 and -1309).

APPLES—quantities in No. 10 and No. 2 cans. Bids due in Chicago by Jan. 9 (QM-11-009-51-1299 and -1300).

BEETS—quantities in No. 10 or No. 2½ cans. Bids due in Chicago by Dec. 26 (QM-11-009-51-1387 and -1400).

CORN—quantities in No. 2 or 303 cans. Bids due in Chicago by Dec. 26 (QM-11-009-51-1391).

CHICKEN AND VEGETABLES—quantities in 300 x 308 cans. Bids due in Chicago by Dec. 26 (QM-11-009-51-1418).

BEANS WITH PEAS—quantities in 300 x 308 cans. Bids due in Chicago by Dec. 26 (QM-11-009-51-1419).

CORN—quantities in No. 10, No. 2, or 303 cans. Bids due in Chicago by Dec. 27 (QM-11-009-51-1388).

TOMATOES—quantities in No. 10 or No. 2 cans. Bids due in Chicago by Jan. 10 (QM-11-009-51-1389).

The Veterans Administration has invited sealed bids to furnish the following:

APPLE BUTTER—quantities in No. 10 or other size cans. Bids due by Jan. 4 (S-146).

GRAPE JUICE—quantities in No. 10 cans. Bids due by Jan. 4 (S-147).

PUBLICITY

Feature on Corn Canning

An illustrated feature article about pioneer corn canning operations in Frederick County, Md., was published December 2 in the *Frederick News*. Copy of the article was sent to the Association by Charles Ross, III, whose father founded the Monocacy Valley Canning Company there in 1898.

The article deals with an even earlier period and describes the beginnings of an industry expansion that has now grown to number 42 corn processing plants, six of them in Frederick County. It details some of the early handicaps successfully overcome, among them the correction of harmless but unsightly "corn black" through the discovery of the principle of C-enamel by the National Canners Association and its practical development and application by the American Can Company.

Article by President Taylor

A statement by N.C.A. President Henry P. Taylor is presented as a feature article in the *Annual Food Industry Review* Number (December) of the *National Grocers Bulletin*, monthly magazine published by the National Association of Retail Grocers of the United States, Inc.

Pointing to the grave responsibility on citizens to defend freedom of choice in the conduct of individual business, Mr. Taylor pointed up the values of free action in the exchange of goods and services, and termed them basic in free enterprise.

"The canner and the retail food store are bulwarks of our free enterprise system," he wrote. "Neither has—or seeks to have—the power to compel others to use his services. The canner, by the care with which he guards the quality on which he puts his brand, and the retail food merchant, by the care with which he chooses from the myriad offerings available to him those which best suit the needs of his customers, both seek to persuade their customers to continue a patronage which they cannot compel. There are so many canners and so many retail food stores that the consumer always has an alternative, a freedom of choice, and please God she always will."

STATISTICS

RSP Cherry Stocks

A report on canners' stocks and shipments of canned RSP cherries has been compiled by the Association's Division of Statistics, and the complete report has been mailed to canners packing that item.

RSP Cherry Stocks and Shipments

	1949-50	1950-51
	(actual cases)	
Carryover, July 1		30,332
Pack, Jan. through Nov.	3,445,323	5,022,951
Total supply	3,445,323	5,053,283
Stocks, Dec. 1	1,201,614	1,679,572
Shipments during Nov.	94,779	200,776
Shipments, July 1 to Dec. 1	2,243,709	3,373,711

Canned Baby Food Stocks

Details of the canned baby food supply, stock and shipment situation, as reported by the Association's Division of Statistics, are presented below:

	1949	1950
	(thousands of dozens)	
Canner stocks, Jan. 1	53,782	55,341
Pack, Jan. through Nov.	110,854	118,650
Supply	164,636	173,991
Canner stocks Dec. 1	52,167	58,827
Canner shipments, Nov.	9,031	7,878
Canner shipments, Jan. through Nov.	112,469	115,164

BAE Issues Year-end Report On Vegetables for Processing

The Bureau of Agricultural Economics, in its year-end crop report issued December 18, estimates very high 1950 production of field crops and truck crops for fresh market but estimates crops for commercial processing only slightly above the 1938-49 average.

Crops for Commercial Processing

BAE estimates the aggregate 1950 production of 11 truck crops for commercial processing at 5.30 million tons, nearly 3 percent less than the 1949 total of 5.44 million tons but 2 percent more than the 5.18 million tons for the preceding 10 years. These figures include production for commercial canning, freezing, pickling and other processing, exclusive of dehydration.

The 1950 harvested acreage of these 11 crops was approximately 1.62 million acres, 7 percent below 1949 and 8 percent below average. The value, estimated by BAE at nearly \$205 million for 1950, was about 1 percent less than for 1949 but one-fourth larger than the 10-year average.

From a national standpoint, the 1950 harvested acreages of asparagus, beets for canning, and pimientos were the highest of record, while the lima bean acreage was second only to that of last year. In contrast, the sweet corn acreage was the lowest since 1940. New record-high yields per acre were established in 1950 for lima beans, cabbage for sauerkraut, and tomatoes, and the yield per acre of sweet corn was second only to that of 1949. The yield of cucumbers for pickles was the lowest since 1937.

On the basis of 1950 harvested acreage, Wisconsin was first, California second and Minnesota third in area devoted to the 11 truck crops for commercial processing. However, from the standpoint of tonnage and value, California was first, accounting for approximately one-fifth of the national total of both of these items.

Fruits

BAE's annual summary on fruits reported:

Apples—Commercial apple production was 120,499,000 bushels, 10 percent below the 1949 crop. The eastern crop totaled 56.0 million bushels, or slightly under the 56.4 million produced in 1949, but about 9 million above average. Five states—New York, Virginia, Pennsylvania, West Virginia and Massachusetts—produced four-fifths of the total crop in the region.

In the central states, the commercial apple production is estimated at 17.9 million bushels compared with 28.4 million bushels in 1949. The Michigan crop was slightly above average. The western states had a crop of 46.5 million bushels compared with 49.0 in 1949.

The quantities of apples unharvested because of economic conditions this year, by regions, are: North Atlantic—1,114,000; South Atlantic—221,000; Central states—214,000; and Western states—806,000.

Peaches—Production in 1950 totaled 52,573,000 bushels, 30 percent below the 1949 crop of 74,818,000 bushels. In Washington, the low winter temperatures severely reduced the crop and killed many trees. Production was only 135,000 bushels, 5 percent of the 1949 crop, for the lowest production since 1909. Peaches in Oregon totaled 299,000 bushels or about 31 percent of the 1949 crop. In California, peach production totaled 29,460,000 bushels, 5,751,000 bushels below the 1949 crop. The crop this year was damaged by frosts in March. The California clingstone crop was 19,668,000 bushels, or 4,417,000 bushels below a year ago. California freestone were 9,792,000 bushels, 1,334,000 bushels below 1949.

Pears—The pear crop is estimated at 31,263,000 bushels, 14 percent less

than last year but slightly above average. Production in the three Pacific Coast states totaled 25,783,000 bushels, 13 percent less than the 1949 production. Bartlett for these states are estimated at 18,969,000 bushels and other pears at 6,814,000 bushels. These groups are both less than last year but above average. Low temperatures last winter in Washington and Oregon damaged many trees and reduced the Bartlett crop.

Sweet Cherries—Production of sweet cherries in the most important producing states in 1950 was 81,660 tons, 41 percent below the 1949 production of 137,700 tons. Washington with 17,600 tons and Oregon with 17,400 tons had crops only about one-half as large as the 1949 production in these states. The California crop of 31,000 tons was 13,000 tons less than last year.

Sour Cherries—Sour cherries, produced mainly in the Great Lakes area, were a record large production in 1950. The 160,350 tons produced this year were 42 percent above last year. Michigan with a production of 98,000 tons was 37,500 tons above 1949. The New York production of 27,100 tons was 9,600 tons above last year. The Pennsylvania crop of 9,500 tons was 500 tons larger than the 1949 crop. Conditions in Michigan, Ohio, Pennsylvania, and New York were very favorable for the set and production of cherries this year.

Apriots—Production for California, Washington and Utah was 202,100 tons, 2 percent above the 1949 production. California with 200,000 tons had a crop 21 percent above last year.

Cranberries—Production in Massachusetts, New Jersey, Wisconsin, Washington and Oregon is 980,300 barrels, 139,900 barrels above last year and 265,720 barrels above average. The 1950 production is the highest of record, exceeding the previous record crop in 1948 by 12,600 barrels. The production this year in Massachusetts exceeded the 1949 crop by 100,000 barrels, New Jersey by 31,000 barrels, Wisconsin by 15,000 barrels, and Oregon by 900 barrels. Washington was the only state showing a smaller crop than in 1949, with a decline of 7,000 barrels. In the eastern states, the berries were of good size and quality and screening was less than usual. In Wisconsin, berries were small and waste in screening higher than usual.

Truck Crops for Fresh Market

More than 9 million tons of the 25 truck crops for fresh market were harvested in 1950, a tonnage second only to that of 1946 and a fifth above average.

General Crops

Total crop production in 1950 was the third largest of record, exceeding the average of the previous 8 years, the most productive period in American agriculture. Farmers attained

this desirable result despite reductions in acreage of several important crops and a growing season that had many unfavorable aspects. The composite yield per acre in 1950 is the second best of record. A prolonged fall season for maturing and harvesting crops helped improve both quantity and quality of the outturn.

The 1950 crop of 3,131 million bushels of field corn slightly exceeds recent forecasts and is fourth largest of record. In all, the third largest tonnage of feed grains was harvested in 1950.

1950 Lima Bean Pack

The 1949 and 1950 packs of fresh lima beans in actual cases by varieties and areas are shown below:

Maryland and Delaware			
	1949	1950	
Green limas:			
Midget and tiny.....	182,017	237,318	
Small.....	320,053	517,527	
Medium.....	323,213	255,961	
Large.....			
Mixed.....	82,312	114,003	
Green and white.....	745,370	504,680	
White.....	70,092	14,871	
Fordhooks.....	2,518	5,265	
Total.....	1,705,575	1,669,525	

Eastern States			
	1949	1950	
Green limas:			
Midget and tiny.....	56,351	56,140	
Small.....	188,658	136,204	
Medium.....	85,444	90,274	
Large.....	26,407	54,950	
Mixed.....	114,457	44,516	
Green and white.....	412,168	243,855	
White.....	9,537	38,536	
Fordhooks.....	58,295	31,441	
Total.....	931,407	704,916	

Western States			
	1949	1950	
Green limas:			
Midget and tiny.....	83,003	60,210	
Small.....	187,171	137,874	
Medium.....	111,183	124,684	
Large.....	24	8	
Mixed.....	942,565	532,535	
Green and white.....	408,368	324,161	
White.....	31,505	7,331	
Fordhooks.....	291,806	29,929	
Total.....	2,036,225	1,216,732	

U. S. Total..... 4,713,207 3,591,173

Eastern states include Ark., Mich., N. J., N. Y., Pa., Ohio, Tenn., and Va. Western states include Calif., Colo., Ill., Ind., Kans., Minn., Nebr., Okla., Tex., Utah, Wash., and Wis.

Poultry Canned in October

The quantity of poultry canned or used in canning during October totaled 15,948,000 pounds, the largest of record for the month, according to a report by the Bureau of Agricultural Economics. This quantity was 50 percent larger than the 10,667,000 pounds canned during October of last year.

Comparative Totals on 11 Crops for Processing

Crop	Harvested Acreage		Production		Price per Ton ¹	
	1949	1950	1949	1950	1949	1950
	(acres)		(tons—2,000 lb.)		(dollars)	
Asparagus.....	87,920	88,050	111,200	108,400	177.35	204.73
Beans, lima (shelled).....	110,400	92,540	91,800	78,900	145.92	135.81
Beans, snap.....	115,800	113,890	246,800	247,800	111.58	103.15
Beets (for canning).....	18,010	19,110	149,200	170,300	20.48	20.02
Cabbage (for sauerkraut).....	17,640	18,190	170,500	246,400	12.31	9.69
Corn, sweet (in husk).....	458,780	331,430	1,406,300	950,600	20.40	17.62
Cucumbers (for pickles).....	136,570	109,630	284,300	176,600	59.48	67.97
Peas, green (shelled).....	386,800	417,530	347,300	433,200	88.29	81.94
Pimientos ²	24,500	32,000	23,800	45,000	70.00	70.00
Spinach.....	34,680	31,120	94,400	79,700	43.44	50.25
Tomatoes.....	345,140	364,450	2,518,700	2,763,300	23.79	24.98
Total 11 crops.....	1,736,240	1,617,940	5,444,300	5,300,200		

¹ Season average price received by growers. The season falls in the calendar year. ² Georgia only. California estimates discontinued; less than 3 packers.

Tomatoes for Commercial Processing

State	Harvested Acreage		Production		Price per Ton ¹	
	1949	1950	1949	1950	1949	1950
	(acres)		(tons—2,000 lb.)		(dollars)	
New York.....	10,400	20,400	163,000	183,600	23.20	24.30
New Jersey.....	23,600	29,000	165,200	261,000	29.70	30.80
Pennsylvania.....	20,300	20,200	149,500	159,600	28.50	29.40
Ohio.....	22,600	22,700	171,800	156,600	21.10	22.00
Indiana.....	50,500	66,300	249,900	331,500	20.80	22.90
Illinois.....	9,100	10,000	56,400	70,000	23.10	22.50
Michigan.....	7,900	8,100	56,100	59,900	20.00	22.50
Wisconsin.....	1,500	1,600	13,600	5,900	23.00	24.00
Iowa.....	1,500	1,300	5,200	10,700	22.50	22.50
Missouri.....	7,100	6,000	22,700	9,600	30.00	26.40
Delaware.....	4,600	5,100	25,800	40,300	30.00	30.00
Maryland.....	29,000	30,500	165,300	225,700	27.60	31.10
Virginia.....	14,400	14,400	51,800	77,800	26.30	31.00
South Carolina.....	3,000	3,600	4,500	3,600	30.00	45.00
Florida.....	2,900	3,500	14,500	14,900	22.30	17.00
Kentucky.....	2,400	1,800	6,700	3,600	22.50	23.70
Tennessee.....	2,900	2,400	8,400	10,300	26.80	27.30
Arkansas.....	8,400	7,400	22,700	14,100	19.60	29.70
Oklahoma.....	1,700	1,100	4,100	2,200	20.00	27.50
Texas.....	16,500	17,500	42,900	36,800	23.00	15.00
Colorado.....	2,900	3,600	19,700	20,100	21.70	26.90
Utah.....	6,400	7,400	83,200	63,600	21.30	20.40
California.....	75,440	78,000	1,003,400	975,000	23.20	23.00
Other states ²	2,300	3,150	12,300	17,900	24.39	25.53
Total all states.....	345,140	364,450	2,518,700	2,763,300	23.79	24.98

¹ Season average price received by growers. The season falls in the calendar year. ² Ala., Ariz., Conn., Ga., Idaho, Kans., La., Minn., Miss., Nebr., N. M., N. C., Ore., Wash., and W. Va.

Spinach for Commercial Processing

State and Seasonal Group	Harvested Acreage		Production		Price per Ton ¹	
	1949	1950	1949	1950	1949	1950
	(acres)		(tons—2,000 lb.)		(dollars)	
Texas—Winter.....	8,000	5,000	13,600	5,000	35.00	55.00
California—Winter.....	7,470	7,340	39,600	40,400	24.00	22.50
Virginia.....	1,000	850	3,070	2,880	80.40	78.10
Spring.....	450	300	1,200	900	102.00	95.00
Fall.....	550	550	1,870	1,980	67.00	70.00
Maryland.....	1,060	1,130	1,880	1,900	69.10	83.20
Spring.....	360	530	680	1,060	84.80	86.00
Fall.....	700	600	1,200	840	60.00	80.00
Arkansas.....	5,750	3,700	10,300	8,500	58.80	76.40
Spring.....	4,100	3,500	7,000	5,600	62.00	77.00
Fall.....	1,650	2,200	3,300	2,900	52.00	75.00
Oklahoma.....	9,400	9,300	16,000	12,000	62.10	74.00
Spring.....	6,100	5,300	11,000	8,000	68.00	77.50
Fall.....	3,300	4,000	5,000	4,000	49.10	67.00
New Jersey—Fall.....	2,000	1,800	10,000	9,000	70.00	100.00
7 states, total.....	34,680	31,120	94,450	79,680	43.44	50.00
Winter and Spring.....	26,480	21,970	73,080	60,960	38.15	39.57
Fall.....	8,200	9,150	21,370	18,720	61.53	85.04

¹ Season average price received by growers.

DEFENSE

EXECUTIVE ORDER ESTABLISHING THE OFFICE OF DEFENSE MOBILIZATION

EXECUTIVE ORDER 10193

Providing for the Conduct of the Mobilization Effort of the Government

By virtue of the authority vested in me by the Constitution and statutes, including the Defense Production Act of 1950, and as President of the United States and as Commander in Chief of the armed forces, it is hereby ordered as follows:

1. There is hereby established in the Executive Office of the President the Office of Defense Mobilization. There shall be at the head of such Office a Director of Defense Mobilization, hereinafter called the Director, who shall be appointed by the President by and with the advice and consent of the Senate and who shall receive compensation at the rate of \$22,500 per annum.

2. The Director shall on behalf of the President direct, control, and coordinate all mobilization activities of the Executive Branch of the Government, including but not limited to production, procurement, manpower, stabilization, and transport activities.

3. All functions delegated or assigned by or pursuant to the provisions of Executive Orders Nos. 10161 of September 9, 1950, and 10172 of October 12, 1950, shall be performed by the respective officers concerned, subject to the direction and control of the Director.

4. In carrying out the functions conferred upon him by this order, the Director shall from time to time report to the President concerning his operations under this order and issue such directives, consonant with law, on policy and operations to the Federal agencies and departments as may be necessary to carry out the programs developed, the policies established, and the decisions made by the Director. It shall be the duty of all such agencies and departments to execute these directives and to make to the Director such progress and other reports as may be required.

5. The Director may perform the functions conferred upon him by the provisions of this order through such officers and such agencies and in such manner as he shall, consonant with law and the provisions of this order, determine.

6. Within the limitations of funds which may be made available, the Director may employ necessary personnel and make provision for supplies, facilities, and services necessary to discharge his responsibilities.

7. To the extent that any provision of any prior Executive order or directive is inconsistent with the provisions of this order, the latter shall control.

[s] Harry S. Truman

The White House
December 16, 1950

PROCLAMATION OF NATIONAL EMERGENCY

PROCLAIMING THE EXISTENCE OF A NATIONAL EMERGENCY

By the President of the United States
of America

A Proclamation

Whereas recent events in Korea and elsewhere constitute a grave threat to the peace of the world and imperil the efforts of this country and those of the United Nations to prevent aggression and armed conflict; and

Whereas world conquest by Communist imperialism is the goal of the forces of aggression that have been loosed upon the world; and

Whereas, if the goal of Communist imperialism were to be achieved, the people of this country would no longer enjoy the full and rich life they have with God's help built for themselves and their children; they would no longer enjoy the blessings of the freedom of worshiping as they severally

choose, the freedom of reading and listening to what they choose, the right of free speech, including the right to criticize their Government, the right to choose those who conduct their Government, the right to engage freely in collective bargaining, the right to engage freely in their own business enterprises and the many other freedoms and rights which are a part of our way of life; and

Whereas, the increasing menace of the forces of Communist aggression requires that the national defense of the United States be strengthened as speedily as possible:

Now, therefore, I, Harry S. Truman, President of the United States of America, do proclaim the existence of a national emergency, which requires that the military, naval, air, and civilian defenses of this country be strengthened as speedily as possible to the end that we may be able to repel any and all threats against our national security and to fulfill our

responsibilities in the efforts being made through the United Nations and otherwise to bring about lasting peace.

I summon all citizens to make a united effort for the security and well being of our beloved country and to place its needs foremost in thought and action that the full moral and material strength of the Nation may be readied for the dangers which threaten us.

I summon our farmers, our workers in industry, and our businessmen to make a mighty production effort to meet the defense requirements of the Nation and to this end to eliminate all waste and inefficiency and to subordinate all lesser interests to the common good.

I summon every person and every community to make, with a spirit of neighborliness, whatever sacrifices are necessary for the welfare of the Nation.

I summon all State and local leaders and officials to co-operate fully with the military and civilian defense agencies of the United States in the national defense program.

I summon all citizens to be loyal to the principles upon which our Nation is founded, to keep faith with our friends and Allies, and to be firm in our devotion to the peaceful purposes for which the United Nations was founded.

I am confident that we will meet the dangers that confront us with courage and determination, strong in the faith that we can thereby "secure the blessings of liberty to ourselves and our posterity."

In Witness Whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the City of Washington, this 16th day of December, in the year of our Lord 1950, and of the independence of the United States of America the 175th.

[s] Harry S. Truman.

ODM Staff Organization

Charles E. Wilson on December 21 appointed General Lucius Clay and Sidney Weinberg to be special assistants to aid him in setting up the Office of Defense Mobilization. General Clay is chairman of the board of the Continental Can Co. Mr. Weinberg, a New York investment banker, was a vice chairman of WPB.

In announcing the appointments, Mr. Wilson stated that the ODM will not be an operating agency and therefore will not be large. Instead, it will comprise only a small group of "qualified persons" to assist in formulating policy and coordinating the defense program.

ESA Issues Rules Governing Issuance of Ceiling Prices

A "Price Procedural Regulation", prescribing rules by which it will issue and administer ceiling price regulations, was issued this week by the Economic Stabilization Agency. The regulation was published in the *Federal Register* of December 19.

Major sections of the regulation deal with the procedure to be followed in the issuance of ceiling price regulations, applications for adjustment, petitions for amendment, protests, and interpretations.

While setting forth the rules governing procedure, the regulation does not contain any criteria for the levels at which ceiling prices will be established.

"A ceiling price regulation may be issued by the Administrator after such studies and investigations as he deems necessary or proper," the regulation states. "Before issuing a ceiling price regulation the Administration shall, so far as practicable, advise and consult with representatives of persons substantially affected by such regulation."

At the discretion of the Administrator, hearings may be held prior to the issuance of a ceiling price regulation. When such a hearing is held, it will be conducted in such a manner, "consistent with the need for expeditious action, as will permit the fullest possible presentation of evidence by such persons as are, in the judgment of the Administrator, best qualified to provide information with respect to matters considered at the hearing or most likely to be seriously affected by action which may be taken as a result of the hearing."

NPA Orders Cut in Use of Tin

(Concluded from page 349)

tin. Therefore, an M-81-type order will be needed to guide manufacturers of tin products with respect to the relative essentiality of various tin products, such as tin-plated containers.

Exempted from the allotments are whatever quantities of tin products may be required to fill defense orders that are assigned a "DO" rating as provided for in NPA Reg. 2. Under that regulation, canners are enabled to obtain containers and other packaging needed to fill contracts with the Department of Defense (see INFORMATION LETTER of November 18, page 319).

NPA officials said that the M-8, as amended, was issued to further con-

trol use of pig tin because the amount of tin available for both defense and civilian consumption in the first half of 1951 is expected to be less than the amount consumed in the first half of 1950.

M-8, as amended, also restricts inventories of pig tin to 120 days' supply for tinplate manufacturers. All other users of pig tin are limited to a 60-day supply. The order is intended to encourage the use, wherever possible, of substitute metals that are not in short supply. Use of pig tin is prohibited in cases where secondary tin can be used.

ESA Issues 'Pricing Standards'

(Concluded from page 349)

With regard to the ESA pricing standards, an ESA announcement stated:

"In applying the above standards, producers and processors should maintain the same proportionate production of lower priced items as in the pre-Korean period.

"In determining whether a price increase is permissible under the above standards, sellers must base their determination only upon actual experience. It is not permissible, under the standards, to raise any price on the basis of a forecast of conditions that may prevail at some later date or of costs which are estimated without experience.

"The Agency served notice upon all sellers affected by the standards that any official price action hereafter taken will make use of a base period ending not later than December 1, 1950, and that no seller will derive any advantage under the regulations from price increases after that date. Prices of certain basic materials which were increased during the period between June 24, 1950, and December 1, 1950, will be subject to reduction, in accordance with these standards, where that is necessary to make possible the maintenance of December 1 price levels at later stages of manufacture.

"In announcing the new standards, the Agency appealed to all sellers affected to adjust their prices in compliance with them in order to avoid the necessity of government action."

The ESA announcement continued:

"Michael V. DiSalle, Director of Price Stabilization, in releasing the pricing standards, stated that he wished it understood that these standards do not limit profits to any company except as increased profits would

be generated by price increases. There is no intention on the part of the Agency to control profits which accrue through increased volume or economies in operation. The Agency does feel, however, that in such a national emergency as presently confronts the country it is reasonable to ask all sellers to cooperate in the stabilization program to the extent that they do not increase prices in order to enable them to make greater profits than they were able to make before fighting began in Korea.

"Mr. DiSalle stated that the cooperation of industry in pricing according to the standards will largely determine the necessity of mandatory controls. He added that, while these standards are appropriate at this time, more rigorous standards may be necessary later."

NPA Order on Rubber

NPA's December 11 amendment to M-2 will reduce natural rubber consumption by 28 percent in January and February from the November level, and is directed to maintain total civilian rubber consumption at approximately 90,000 tons a month by the use of increasing supplies of synthetic rubber. The amendment requires that camelback be produced during January and February in the same proportionate rate to new rubber consumption as was produced during the year ending June 30, 1950. Camelback is principally used for tire recapping. The amendment also provides that no person shall consume during either January or February a total amount of new rubber including all synthetic except latex and rubber from guayule, in excess of 82 percent of his base monthly rubber consumption in January, and 80 percent in February. New rubber used for defense department orders is not included in this limitation.

Convention Room Assignments

(Concluded from page 349)

essary, therefore, to substitute double-bedded rooms in many instances. The over-all demand for rooms at the Stevens also exceeded supply, and for that reason some of the volume-room users will necessarily be given assignments in other hotels for portions of their requests.

The Association will shortly issue a form to members to obtain data for publication in the Convention Room Directory.

SOCIAL SECURITY

Agricultural Labor Under the Social Security Act

The 1950 Amendments to the Federal Social Security Act produced several changes in the definition of "agricultural labor" and added a basic qualification to the exemption for employees meeting this definition. New regulations interpreting and applying the revised definition have not yet been issued by the Bureau of Internal Revenue. The following summary of the new provisions as they affect operations prepared by Association Counsel to guide canners in their application during the coming year.

General

The new tax liability provisions go into effect on January 1, 1951. All employers of one or more persons for any period of time, however short, in non-exempt employment are subject to the law and liable for old-age benefit taxes. Employers who do not meet the requirements of the statute may not voluntarily subject themselves.

Effective January 1, the employee's taxable wage base will be increased from \$3,000 to \$3,600. Until the year 1954 (when the rate will increase to 2 percent), employers will continue to pay a tax at the rate of 1½ percent of the first \$3,600 of each employee's wages earned in non-exempt employment. An equal amount must also be deducted from the employee's wages. Remuneration in any medium other than cash for agricultural labor is not to be considered wages for purposes of the tax or wage deduction.

The employer's duty to make deductions from the employee's wages and to make corresponding tax payments arises upon the completion of each employee's pay period. If one-half or more of the employee's time in the employ of a particular person in a pay period is spent in performing non-exempt services, then all amounts paid the employee for services performed in that pay period are deemed to be taxable. If less than one-half of the time is spent in non-exempt employment, then none of the employee's wages for that pay period is deemed to be taxable. The term "pay period" means a period of not more than 31 consecutive days for which a payment of remuneration is ordinarily made to the employee by the person employing him.

Whether the employer-employee relationship exists is determined by application of the common law rules. Certain commission agents and other individuals not properly classified as employees within the common law rules are nevertheless brought within the coverage of the Act by the 1950 amendments (see INFORMATION LETTER of August 26, page 262). Every individual who performs services subject to the will and control of an employer, both as to what shall be done and how it shall be done, is an employee for purposes of Social Security taxes. In many instances, a determi-

nation of employee status will depend upon a complete examination of the particular facts of each case.

Agricultural Labor

The basic exemption for agricultural labor has been retained with the qualification that wages of employees meeting this definition are subject to taxes when certain requirements as to minimum compensation and employment status are met. The text of the revised definition of "agricultural labor" is reproduced below:

Text: "The term agricultural labor includes all service performed:

"(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife."

Comment: This section has been carried over from the old law without amendment. Any individual actually engaged in agricultural pursuits on a farm, regardless of who employs him, is considered as engaged in "agricultural labor." Thus, all employees engaged in the raising or harvesting of any agricultural commodities on company-owned farms or on grower-operated farms are exempt, provided they do not meet the qualifications as to minimum wages and regular employment status.

Text: "(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm."

Comment: This section was also carried over without change from the former law. The text is self-explanatory.

Text: "(3) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15(g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit used ex-

clusively for supplying and storing water for farming purposes."

Comment: Services performed in connection with the production or harvesting of maple syrup or maple sugar or in connection with the raising or harvesting of mushrooms or in connection with the hatching of poultry have been eliminated from this section as activities no longer within the definition of "agricultural labor." In order to be exempt under the present law, such activities must be performed on a farm within the meaning of Section 1 above. The Act defines farm to include

"stock, dairy, poultry, fruit, fur-bearing animals, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards."

The only apparent change of significance to the canning industry, therefore, is the disqualification of services performed in connection with the raising and harvesting of mushrooms when such activities are performed in caves or in other non-farm circumstances.

The provision relating to the exemption of services performed in connection with the production or harvesting of agricultural commodities as defined in Section 15(g) of the Agricultural Marketing Act was intended to apply only to services in connection with the production or harvesting of crude gum (oleoresin). By an additional statutory provision, such services are exempt without regard to the amount of wages earned or the number of days worked by the employee in the calendar quarter.

The language "not owned or operated for profit" was added by the 1950 amendments as a qualification on the basic exemption for services performed in connection with the operation or maintenance of irrigation systems.

Text: "(4) (A) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than one-half of the commodity with respect to which such service is performed.

"(B) In the employ of a group of operators of farms (other than a cooperative organization) in the performance of service described in subparagraph (A), but only if such operators produced all of the commodity with respect to which such service is performed. [For the purposes of this subparagraph, any unincorporated group of operators shall be deemed a cooperative organization if the number of operators comprising such group is more than twenty at any time dur-

ing the calendar quarter in which such service is performed.]

"(C) The provisions of subparagraphs (A) and (B) shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption."

Comment: The principal change in the definition of agricultural labor effected by the 1950 amendments is found in these provisions. Formerly, employees engaged in the activities listed in (4) (A) above (but not including services performed in connection with commercial canning or commercial freezing) were exempt, provided the services were performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The 1950 amendments have altered the language and added further limitations.

These qualifications will have little effect on the tax liability of employers engaged exclusively in canning or freezing. Since the exemption for agricultural labor is again made inapplicable to services performed in connection with commercial canning or freezing, cannery employees, as before, remain subject to tax without regard to the number of days worked or the wages earned during the calendar quarter. The Bureau of Internal Revenue will continue to hold employers liable for taxes on the wages of employees whose services are performed on the cannery premises. The vining of peas at subsidiary establishments will also be considered as "commercial canning or commercial freezing" for purposes of disqualification.

Employees engaged in the packing, processing, grading, storing, or delivery to storage or market of fresh or dried fruits or vegetables will be newly brought within the Act in many instances. Employees engaged in such activities in the employ of an operator of a farm (including corporate operators other than cooperatives) are exempt only if their services relate to commodities more than half of which were produced by the group of farmers. (There is therefore a more restrictive requirement applied to unincorporated groups of farmers than there is to corporate organizations other than cooperatives performing the same functions.) Employees of cooperatives fail to meet the definition regardless of whether their services relate solely to commodities produced by the cooperative organization.

Test: "(5) On a farm operated for profit if such service is not in the course of the employer's trade or business or is domestic service in a private home of the employer."

Comment: Casual labor performed on a farm and domestic services in a private home located on a farm are brought within the definition of agricultural labor by this provision. Their wages, therefore, will be subject to tax if \$50 or more is earned in a quarter and they are regularly employed. In each case, if they performed such services elsewhere than on a farm, their wages would be subject to tax if they worked on 24 or more different days in that quarter and 24 or more days in the preceding quarter.

When "Agricultural Labor" Is Exempt

Despite the fact that an employee's services may place him within the definition of "agricultural labor", an employer will still be required to pay Social Security taxes on the wages earned by that employee during a calendar quarter if the employee earns \$50 or more in the quarter and the individual is regularly employed. An individual is deemed to be regularly employed by an employer during a calendar quarter if he performs agricultural labor for such employer on a full-time basis on 60 days during such quarter, and the quarter was immediately preceded by a "qualifying quarter."

A "qualifying quarter" is (1) any quarter during all of which such individual was continuously employed by such employer or (2) any subsequent quarter in which the employee was employed on a full-time basis on 60 days if, after the last quarter during all of which such individual was continuously employed by such employer, the employee worked on a full-time basis on 60 days during each intervening quarter.

An individual is also deemed to be regularly employed by an employer during a calendar quarter if he was regularly employed by such employer during the preceding calendar quarter. Thus taxes will be owed with respect to the wages of any individual who earns \$50 in a calendar quarter and who was regularly employed in the preceding calendar quarter even though he does not work for such employer on a full-time basis on 60 days during the current quarter.

The Bureau of Internal Revenue has issued the following statement interpreting and applying the above principles:

"... the F.I.C.A. taxes apply only to 'regularly employed' agricultural workers. For this reason, the pay for agricultural labor is not taxed until after the worker has been continuously employed (whether or not in farm work) for a full calendar quarter by the same employer. This is called a 'qualifying quarter' and no F.I.C.A. tax is due for any agricultural work or other excepted service in that quarter.

"After a 'qualifying quarter' has been obtained, the wages of a farm worker are subject to F.I.C.A. taxes if

in the calendar quarter following the 'qualifying quarter' he earns \$50 or more and works on 60 or more days on a full-time basis in agricultural labor. His wages remain subject to these taxes in each succeeding quarter so long as he earns \$50 or more and works for the same employer on 60 or more days on a full-time basis in agricultural labor in the quarter. If in any consecutive quarter he works 60 or more days on a full-time basis for the same employer in agricultural labor but earns less than \$50, his pay for that quarter is not taxable but he is still considered 'regularly employed.' Thus, his wages will be taxable in the next quarter if he then earns at least \$50 in agricultural labor for the same employer.

"On the other hand, if he does not work at least 60 days on a full-time basis in agricultural labor for the same employer in any quarter after the qualifying quarter, regardless of whether he earned more or less than \$50, he loses his standing as 'regularly employed' for all future quarters and his pay for agricultural labor in such quarters will not be taxable until after he again obtains a 'qualifying quarter.'

"In such quarter in which he worked less than 60 days, his pay would be taxable if he nevertheless earned \$50 or more for that quarter, since he does not lose his standing as 'regularly employed' until the next quarter."

Comment: While the last quarter of 1950 may serve as a qualifying quarter for purposes of determining whether an employee performing agricultural labor is regularly employed during the first quarter of 1951, the Bureau has indicated that it will not investigate the employment status of an individual worker during periods prior to the last quarter of 1950. Thus, during the first quarter of 1951 an employee's wages will not be subject to tax unless he has been continuously employed during the last quarter of 1950.

Employment on a "full-time basis on 60 days" has as yet no sharply defined meaning. It is clear that the employee must have actually performed services on at least 60 individual days of the calendar year. The Bureau has indicated that it will consider half days or piece work services of whatever duration as work days to be counted towards the necessary sixty.

The Bureau has also indicated that "continuous employment" for purposes of the qualifying quarter is to be given its generally accepted meaning. If the agricultural worker remains an employee of the farmer throughout the 90 day period, no significance will be attached to the fact that he has not performed services on every day of the quarter during which the farm has been in operation or that through illness or vacation the employee has been absent for one or more days.

The effect of these provisions is to require an employer to determine in advance of the calendar quarter those of his employees who will meet the regular employment qualifications during the coming quarter, since deductions must be made and taxes paid currently as the quarter progresses. Refunds will have to be made to those employees erroneously assumed in advance of the quarter to meet the regular employment qualifications.

Unemployment Taxes

No changes have been effected in the definition of agricultural labor provided in the Federal Unemployment Tax Act or in the basic exemption provided by that Act for all employees meeting this definition. As a result, separate records will have to be maintained for the Unemployment Tax Act and separate principles applied in determining the Act's coverage.

LABOR

Farm Labor Situation

In response to the requests of many employers of migratory and foreign farm workers, a meeting of the National Farm Labor Conference has been scheduled January 23, at the Hotel Statler, in Washington. The United States Employment Service, it is understood, will have prepared by that time specific legislative recommendations designed to overcome expected farm labor shortage problems incident to the national emergency. About the middle of February, USES plans to call to Washington its Special Farm Labor Advisory Committee to discuss the labor supply and demand situation and a program for handling agricultural labor supply problems.

PERSONNEL

New York State Cannery

The Association of New York State Cannery, Inc., elected the following officers recently at the association's annual meeting:

President—Donald E. Tobin, Victor Preserving Co., Ontario Center; vice president—John C. Hemingway, H. C. Hemingway & Co., Auburn; treasurer—Joseph S. Gugino, Lawtons Canning Co., Inc., Lawtons; and secretary—William H. Sherman, Rochester (re-elected).

Information Letter Schedule

Because of the holiday, and the resulting rush of work in the hands of the printer, this issue of the INFORMATION LETTER is published and mailed one day earlier than usual.

It is expected that the regular schedule will be resumed with the next issue.

CONGRESS

War Damage Corporation

The bill, H. R. 9802, to grant succession to the War Damage Corporation was passed by the House on December 18, and the Senate Committee on Banking and Currency held hearings on the measure on December 21.

As passed by the House, the bill would authorize the War Damage Corporation to expend up to \$1,000,000,000 (over and above the \$100,000,000 of capital stock subscribed to prior to the present date) to provide—through insurance, reinsurance, or otherwise—reasonable protection against loss of or damage to property, both real and personal, resulting from hostile or warlike action, including defensive steps taken by our own forces to defend against enemy forces of whatever nature.

Excess Profits Tax

The Senate on December 20 passed H. R. 9827, establishing a corporate excess profits tax.

The Senate Finance Committee had recommended that the House-passed H.R. 9827 be amended, in part, as follows:

For taxpayers using the invested capital base, a 100 percent credit for loan capital would be allowed in a percentage equal to the credit for equity capital.

During World War II, the excess profits tax law allowed a 50 percent credit for borrowed capital plus the interest paid thereon. The present recommendation of the Senate Finance Committee would allow a 100 percent credit on the borrowing but no credit for interest.

This recommendation is in accord with that of the N.C.A. Tax Committee and Legislative Committee.

The regular corporate rate would be 30 percent normal tax and 47 percent surtax, totaling 77 percent; or an amount which equals 60 percent of the corporation surtax net income, whichever is lesser.

(The House had voted a 45 percent surtax and a total tax amounting to 75 percent; or 67 percent of surtax net income.)

At press time, the House and Senate had appointed conferees.

TABLE OF CONTENTS

	PAGE		PAGE
Defense		BAE issues year-end report on	
ESA issues 'pricing standards'...	349	vegetables for processing	352
ESA pricing standards	349	Poultry canned in October	353
NPA orders cut in use of tin by		Supplies	
20% beginning in February	349	Shipments of metal cans	351
Executive order establishing the		Shipments of metal closures	351
Office of Defense Mobilization	354	Shipments of glass containers	351
Proclamation of national emer-		Procurement	
gency	354	Invitations for bids	351
ODM staff organization	354	Publicity	
ESA issues rules governing issu-		Feature on corn canning	351
ance of ceiling prices	355	Article by President Taylor	351
NPA order on rubber	355	Social Security	
Convention		Agricultural labor under the so-	
Convention room assignments		cial security act	356
made for N.C.A. members	349	Labor	
Schedule of principal events of		Farm labor situation	358
the 1951 Convention	350	Personnel	
Machinery exhibit details	351	New York State Cannery	358
Old Guard banquet	351	Congress	
Statistics		War damage corporation	358
1950 lima bean pack	349	Excess profits tax	358
RSP cherry stocks	352	Association Activities	
Canned baby food stocks	352	INFORMATION LETTER schedule	358